

**CIRCLEVILLE TOWN
FINANCIAL STATEMENTS
JUNE 30, 2005**

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Kimball & Roberts

Certified Public Accountants

A Professional Corporation

Box 663

Richfield, Utah 84701

Phone 896-6488

Honorable Mayor and Town Council
Circleville Town
Circleville, Utah 84723

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Circleville Town as of and for the year ended June 30, 2005, which collectively comprise Circleville Town's basic financial statements as listed in the table of contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Circleville Town.

A review consists principally of inquiries of Town personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The management discussion and analysis and budgetary comparison information on pages 4 through 13 and 36 through 38, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Respectfully submitted,



KIMBALL & ROBERTS, P. C.
Certified Public Accountants

October 11, 2005
Richfield, Utah

**CIRCLEVILLE TOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2005**

This discussion of Circleville Town financial performance provided an overview of the Town's financial activities for the year ending June 30, 2005. This report is in conjunction with the Town's financial statements.

The Town's main purpose is to provide general services to its residents which includes general government, public safety, highways and streets, sanitation and culture and recreation.

Financial Highlights

- * The assets of the Town exceeded its liabilities as of the close of the most recent year by \$980,862 (net assets). Of this amount, \$254,165 (unrestricted net assets) which may be used to meet its ongoing obligations to citizens and creditors.
- * The government's total net assets decreased by \$70,576. The revenues were less than the adopted budgeted amounts, and expenditures were less than the adopted budgeted amounts in the general fund.
- * At the close of the current year, the Town's governmental funds reported ending fund balance of \$157,900, a decrease of \$37,740 in comparison with the prior year. Approximately 58 percent of this total amount, \$91,900, is available for spending at the government's discretion (unreserved fund balance).
- * At the end of the current year, unreserved fund balance for the general fund was \$45,953 or 27 percent of total general fund expenditures.
- * The Town's total debt decreased by \$4,165 during the current year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private sector business.

The *statement of net assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Town include general government, public safety, highways and streets, sanitation and culture and recreation. The business-type activity of the Town is culinary water operations.

Refer to the table of contents for the location of the government-wide financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and enterprise funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Circleville Town maintains two individual governmental funds. Information is presented separately in the governmental funds balance sheets and in the governmental funds statement of revenues, expenditures, and changes in fund balances.

The Town adopts an annual appropriated budgets for its governmental funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

Proprietary Funds

Circleville Town maintains one proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, garbage and landfill.

Refer to the table of contents for the location of the basic proprietary fund financial statements.

Notes To The Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Circleville Town's, assets exceeded liabilities by \$980,862 at the close of the most recent fiscal year. By far the largest portion of the Town's net assets (66 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Town's net assets (8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$254,165) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the year, the Town is able to report positive balances in all three categories of net assets, for both the government as a whole, as well as for its separate governmental and business-type activities.

Circleville Town's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and Other Assets	157,900	195,640	178,705	165,097	336,605	360,737
Capital Assets	407,546	438,005	480,450	500,600	887,996	938,605
Total Assets	565,446	633,645	659,155	665,697	1,224,601	1,299,342
Long-Term Liabilities	-	-	-	-	-	-
Other Liabilities	-	-	243,739	247,904	243,739	247,904
Total Liabilities	-	-	243,739	247,904	243,739	247,904
Net Assets:						
Invested in Capital Assets						
Net of Related Debt	407,546	438,005	236,711	252,696	644,257	690,701
Restricted	66,000	112,000	16,440	16,440	82,440	128,440
Unrestricted	91,900	83,640	162,265	148,657	254,165	232,297
Total Net Assets	565,446	633,645	415,416	417,793	980,862	1,051,438

Governmental Activities

Governmental activities decreased Circleville Town's net assets by \$68,199.

Circleville Town's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program Revenues:						
Charges for Services	19,569	20,280	48,798	54,375	68,367	74,655
Operating Grants	36,366	48,508	40,000	-	76,366	48,508
Capital Grants	11,666	-	-	-	11,666	-
General Revenues:						
Property Taxes	10,003	9,058	-	-	10,003	9,058
Other Taxes	48,339	45,851	-	-	48,339	45,851
Unrestricted Investment Earnings	4,654	3,415	-	-	4,654	3,415
Total Revenues	130,597	127,112	88,798	54,375	219,395	181,487
Expenses:						
General Government	45,595	33,150	-	-	45,595	33,150
Public Safety	14,808	8,420	-	-	14,808	8,420
Public Health	14,803	11,214	-	-	14,803	11,214
Highways & Streets	117,633	67,457	-	-	117,633	67,457
Culture and Recreation	5,957	8,001	-	-	5,957	8,001
Interest on Long-Term Debt	-	-	12,275	12,807	12,275	12,807
Water fund operations	-	-	78,900	42,444	78,900	42,444
Total Expenses	198,796	128,242	91,175	55,251	289,971	183,493
Increase in Net Assets Before Transfers	(68,199)	(1,130)	(2,377)	(876)	(70,576)	(2,006)
Transfers	-	-	-	-	-	-
Increase in Net Assets	(68,199)	(1,130)	(2,377)	(876)	(70,576)	(2,006)
Net Assets - Beginning	633,645	634,775	417,793	418,669	1,051,438	1,053,444
Net Assets - Ending	565,446	633,645	415,416	417,793	980,862	1,051,438

* The Town received operating grants of \$76,366. Of this amount, \$36,211 was received for Class C roads and a grant for repairs to the water system of \$40,000.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

Business-Type Activities

Business-type activities decreased the Town's net assets by \$2,377.

- * The depreciation in the enterprise funds remained the same as the prior year.

Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, the Town's governmental funds reported combined ending fund balances of \$157,900, a decrease of \$37,740 in comparison with the prior year. Approximately 58 percent of this amount (\$91,900) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to highways and public improvements for \$66,000.

As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 27 percent of total general fund expenditures, while total fund balance represents 67 percent of that same amount.

Proprietary Funds

The Town's proprietary fund provides the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net assets of the water fund at the end of the year was \$162,265. Other factors concerning the finances of these funds has already been addressed in the discussion of the Town's business-type activities.

General Fund Budgetary Highlights

There were no differences between the original budget and the final amended budget.

Actual revenues were less than budgeted revenues by \$63,504 and actual expenditures were less than budgeted expenditures by \$25,763 resulting in a net decrease in fund balance of \$37,741.

Capital Asset and Debt Administration

Capital Assets

Circleville Town's investment in capital assets for its governmental activities as of June 30, 2005, was \$407,546 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment and infrastructure, which includes roads.

Circleville Town's Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	15,280	15,280	-	-	15,280	15,280
Infrastructure	270,000	303,750	-	-	270,000	303,750
Buildings	17,500	18,375	-	-	17,500	18,375
Improvements Other than Buildings	-	-	480,450	500,600	480,450	500,600
Equipment	93,100	100,600	-	-	93,100	100,600
Construction In Progress	11,666	-	-	-	11,666	-
Total	407,546	438,005	480,450	500,600	887,996	938,605

Additional information on the Town's capital assets can be found in the notes to the financial statements.

Long -Term Debt

At the end of the current year, the Town's had total bonded debt outstanding of \$243,739. The debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

Circleville Town's Long-Term Debt

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenue Bonds	-	-	243,739	247,904	243,739	247,904

State statutes limit the amount of general obligation debt a governmental entity may issue to 12 percent of its total fair market value of taxable property in the Town however, the Town has no general obligation debt.

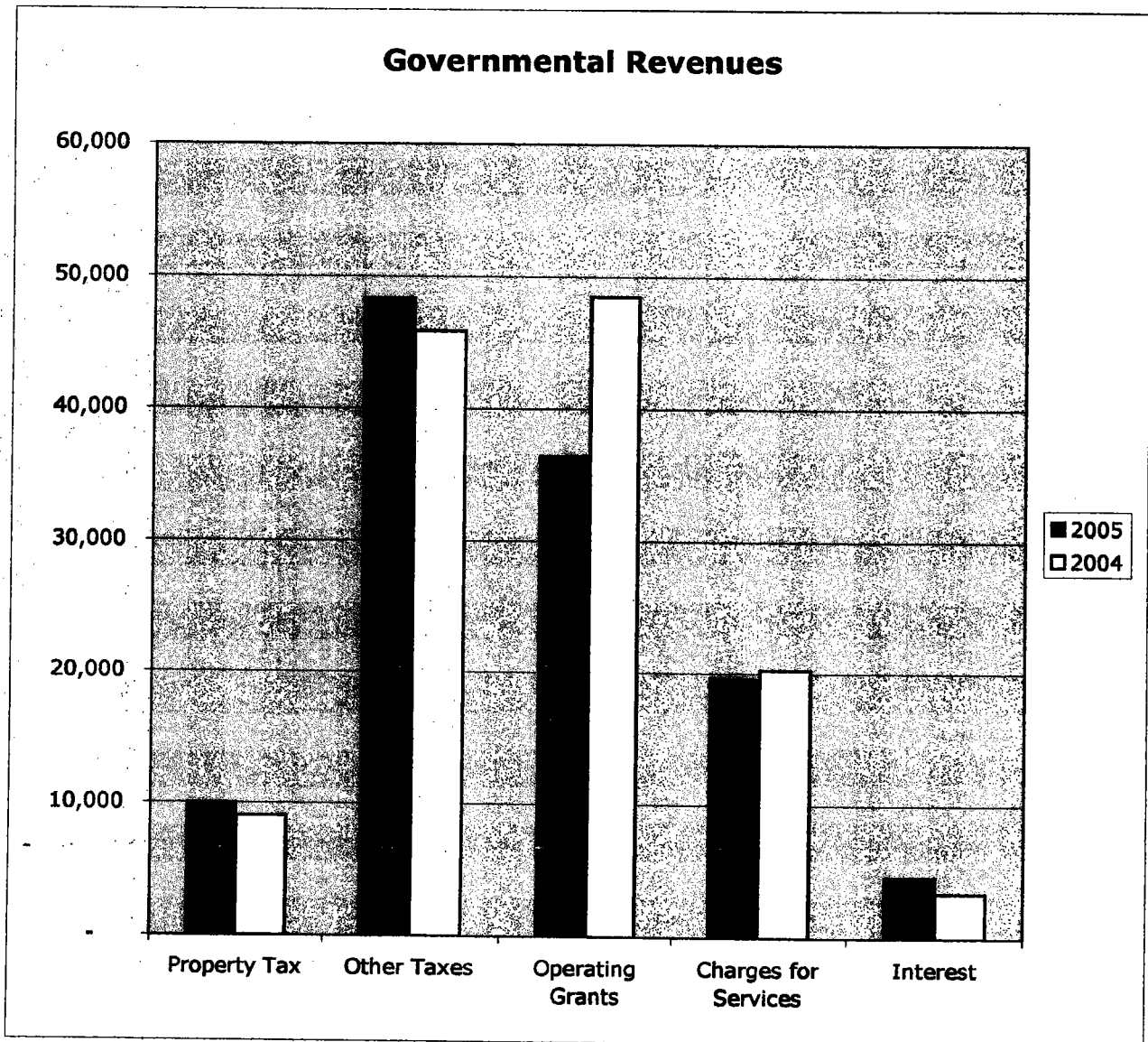
Additional information on Circleville Town's long-term debt can be found in the notes of the financial statements.

Request for Information

This financial report is designed to provide a general overview of Circleville Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Circleville Town Clerk, P.O. Box 69, Circleville, Utah, 84723.

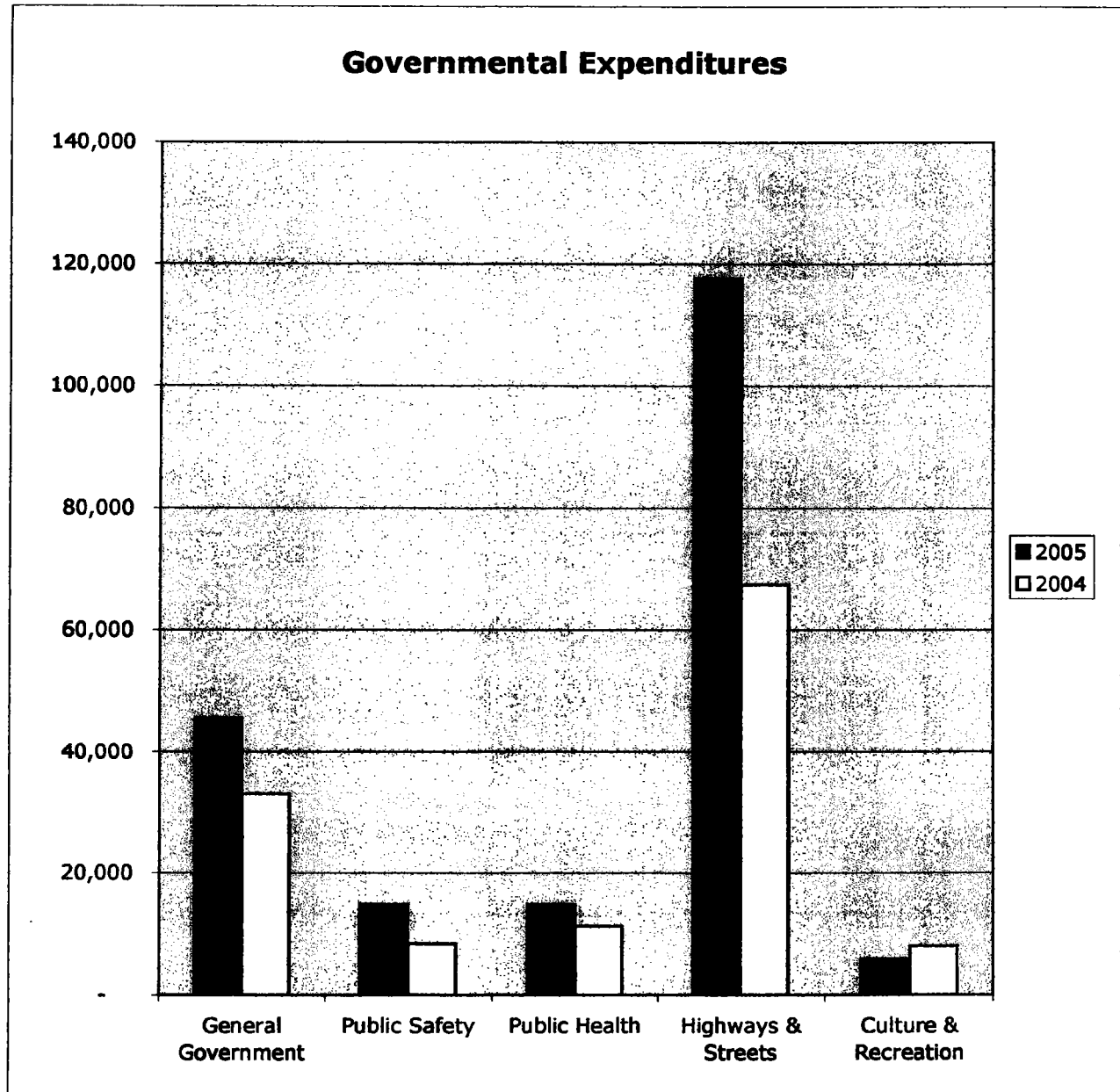
**Circleville Town
Governmental Revenues
For The Fiscal Years Ending June 30, 2005 and 2004**

	<u>2005</u>	<u>2004</u>
Property Tax	10,003	9,058
Other Taxes	48,339	45,851
Operating Grants	36,366	48,508
Charges for Services	19,569	20,280
Interest	<u>4,654</u>	<u>3,415</u>
 Total Revenues	 <u>118,931</u>	 <u>127,112</u>



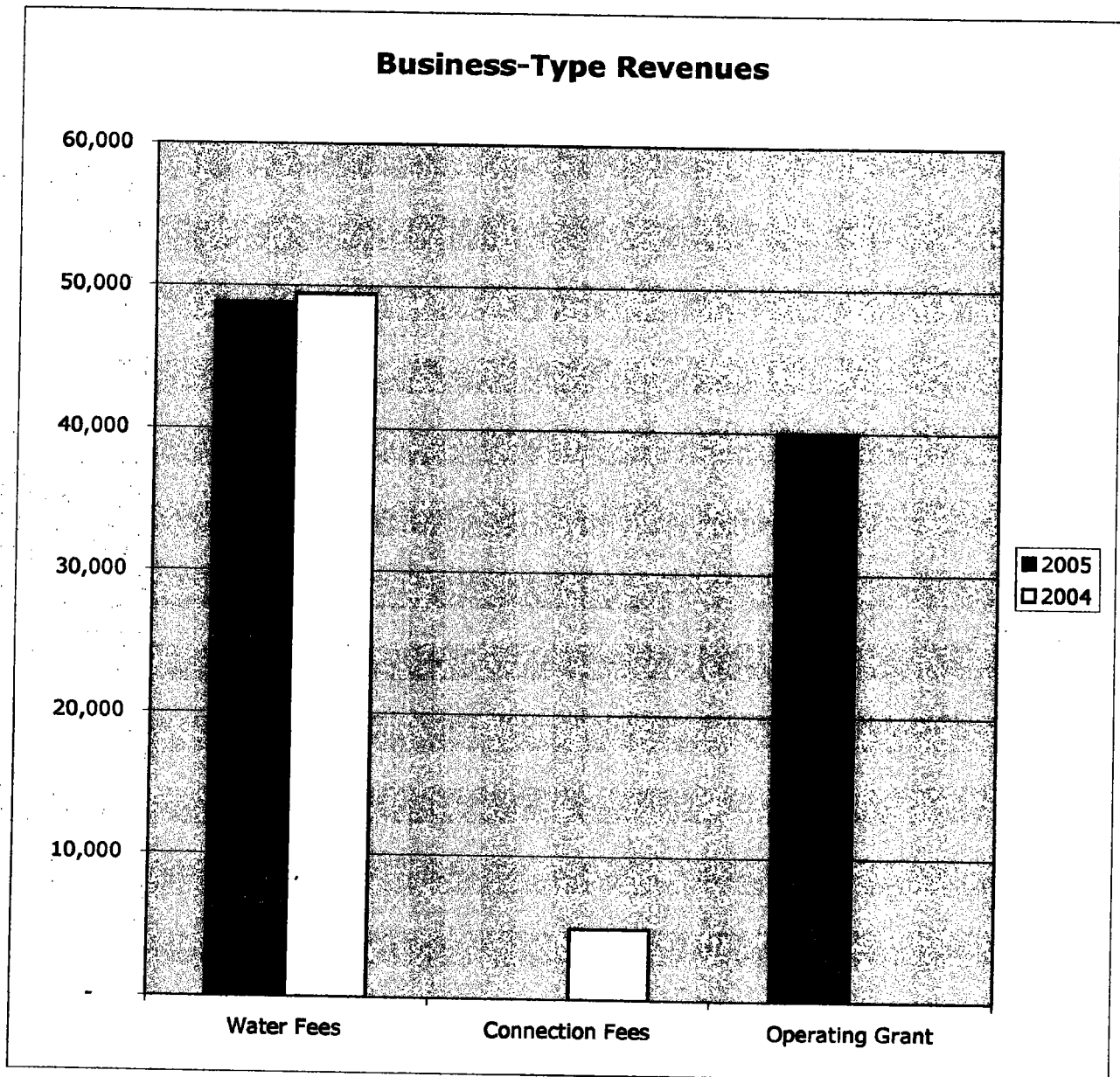
**Circleville Town
Governmental Expenditures
For The Fiscal Years Ending June 30, 2005 and 2004**

	2005	2004
General Government	45,595	33,150
Public Safety	14,808	8,420
Public Health	14,803	11,214
Highways & Streets	117,633	67,457
Culture & Recreation	5,957	8,001
Total Expenditures	198,796	128,242



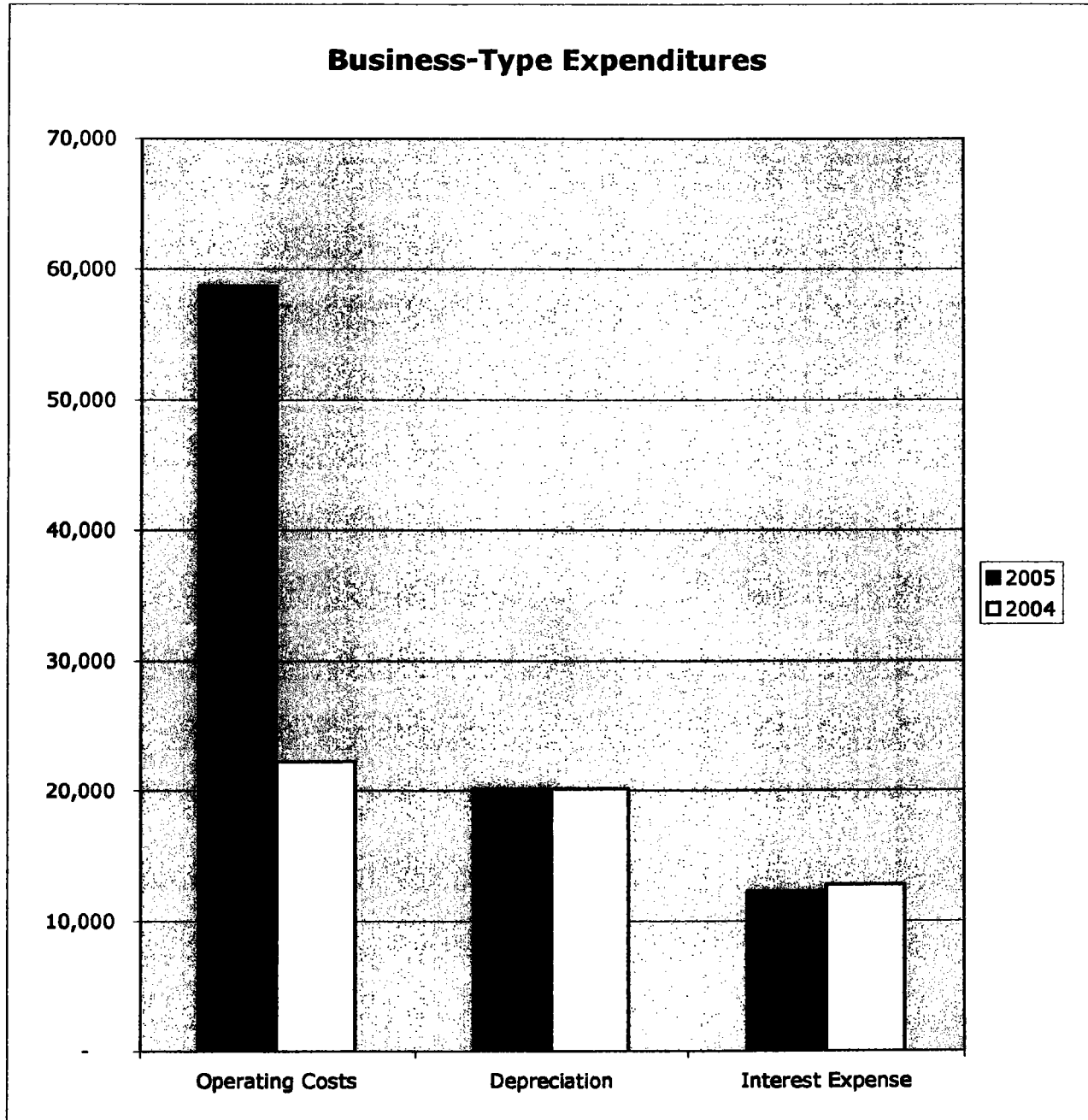
**Circleville Town
Business-Type Revenues
For The Fiscal Years Ending June 30, 2005 and 2004**

	2005	2004
Water Fees	48,798	49,425
Connection Fees	-	4,950
Operating Grant	40,000	-
Total Revenues	88,798	54,375



**Circleville Town
Business Type Expenditures
For The Fiscal Years Ending June 30, 2005 and 2004**

	2005	2004
Operating Costs	58,750	22,294
Depreciation	20,150	20,150
Interest Expense	12,275	12,807
Total Expenditures	91,175	55,251



(This page contains no information and
is used to assist in formatting, for easier reading)

BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE TOWN
STATEMENT OF NET ASSETS**

June 30, 2005

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	138,692	155,899	294,591
Accounts Receivable (Net)	-	6,366	6,366
Due From Other Government Units	19,208	-	19,208
Total Current Assets	157,900	162,265	320,165
Noncurrent Assets:			
Restricted Cash and Cash Equivalents	-	16,440	16,440
Capital Assets (Net of Accumulated Depreciation):			
Land	15,280	-	15,280
Buildings	17,500	-	17,500
Improvements Other Than Buildings	-	480,450	480,450
Equipment	93,100	-	93,100
Infrastructure	270,000	-	270,000
Construction In Progress	11,666	-	11,666
Total Noncurrent Assets	407,546	496,890	904,436
TOTAL ASSETS	565,446	659,155	1,224,601
LIABILITIES			
Current Liabilities:			
Revenue Bonds Payable - Due Within One Year	-	3,644	3,644
Noncurrent Liabilities:			
Revenue Bonds Payable - Due More Than One Year	-	240,095	240,095
TOTAL LIABILITIES	-	243,739	243,739
NET ASSETS			
Investment in Capital Assets, Net of Debt	407,546	236,711	644,257
Restricted For:			
Bond Retirement	-	16,440	16,440
Class C Road	66,000	-	66,000
Unrestricted	91,900	162,265	254,165
TOTAL NET ASSETS	565,446	415,416	980,862
TOTAL LIABILITIES AND NET ASSETS	565,446	659,155	1,224,601

See accompanying notes and accountant's report.

**CIRCLEVILLE TOWN
STATEMENT OF ACTIVITIES**

For The Fiscal Year Ended June 30, 2005

Function/Programs Primary Government:	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Assets		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	Governmental Activities	Business-Type Activities Total
Governmental Activities:						
General Government	45,595	7,956	-	11,666	(25,973)	(25,973)
Public Safety	14,808	-	155	-	(14,653)	(14,653)
Public Health	14,803	10,998	-	-	(3,805)	(3,805)
Highways and Public Improvements	117,633	-	36,211	-	(81,422)	(81,422)
Culture and Recreation	5,957	615	-	-	(5,342)	(5,342)
Interest on Long-Term Debt	-	-	-	-	(12,275)	(12,275)
Total Governmental Activities	198,796	19,569	36,366	11,666	(131,195)	(143,470)
Business-Type Activities:						
Water Fund	78,900	48,798	40,000	-	-	9,898
Total Primary Government	277,696	68,367	76,366	11,666	(131,195)	(133,572)
General Revenues:						
Property Taxes					10,003	10,003
Fee-In-Lieu of Property Taxes					3,500	3,500
Sales Taxes					44,839	44,839
Unrestricted Investment Earnings					4,654	4,654
Total General Revenues and Transfers					62,996	62,996
Change in Net Assets					(68,199)	(2,377) (70,576)
Net Assets - Beginning					633,645	417,793 1,051,438
Net Assets - Ending					565,446	415,416 980,862

**CIRCLEVILLE TOWN
BALANCE SHEET
GOVERNMENTAL FUNDS**

For The Fiscal Year Ended June 30, 2005

	<u>General Fund</u>	<u>Nonmajor Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	92,745	45,947	138,692
Due From Other Government Units	<u>19,208</u>	<u>-</u>	<u>19,208</u>
TOTAL ASSETS	<u><u>111,953</u></u>	<u><u>45,947</u></u>	<u><u>157,900</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Reserved For:			
Class C Road	66,000	-	66,000
Unreserved, Reported In:			
General Fund	45,953	-	45,953
Capital Project Fund	<u>-</u>	<u>45,947</u>	<u>45,947</u>
Total Fund Balance	<u>111,953</u>	<u>45,947</u>	<u>157,900</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>111,953</u></u>	<u><u>45,947</u></u>	<u><u>157,900</u></u>

See accompanying notes and accountant's report.

**CIRCLEVILLE TOWN
BALANCE SHEET RECONCILIATION TO STATEMENT OF NET ASSETS**

June 30, 2005

Total Fund Balances - Governmental Fund Types	157,900
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Amounts reported for governmental activities in the statement of net assets
are different because:

Capital assets used in governmental activities are not financial resources
and, therefore, are not reported in the funds.

Land	15,280
Buildings	17,500
Equipment	93,100
Infrastructure	270,000
Construction in Progress	<u>11,666</u>

Total (Net of Depreciation)	<u>407,546</u>
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Net Assets of Government Activities	<u><u>565,446</u></u>
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CIRCLEVILLE TOWN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For The Fiscal Year Ended June 30, 2005

	General Fund	Nonmajor Capital Projects Fund	Total Governmental Funds
Revenues:			
Taxes	58,342	-	58,342
Licenses and Permits	755	-	755
Intergovernmental Revenue	48,032	-	48,032
Charges for Services	17,813	-	17,813
Interest	4,654	-	4,654
Miscellaneous Revenues	1,000	-	1,000
	<u>130,596</u>	<u>-</u>	<u>130,596</u>
Total Revenues	<u>130,596</u>	<u>-</u>	<u>130,596</u>
Expenditures:			
Current:			
General Government	45,594	-	45,594
Public Safety	7,933	-	7,933
Public Health	14,803	-	14,803
Highways and Public Improvements	83,883	-	83,883
Culture and Recreation	8,123	-	8,123
Capital Outlay	8,000	-	8,000
	<u>168,336</u>	<u>-</u>	<u>168,336</u>
Total Expenditures	<u>168,336</u>	<u>-</u>	<u>168,336</u>
Net Change In Fund Balance	<u>(37,740)</u>	<u>-</u>	<u>(37,740)</u>
Fund Balance - Beginning	<u>149,693</u>	<u>45,947</u>	<u>195,640</u>
Fund Balance - Ending	<u>111,953</u>	<u>45,947</u>	<u>157,900</u>

See accompanying notes and accountant's report.

CIRCLEVILLE TOWN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For The Fiscal Year Ended June 30, 2005

Amounts reported for governmental activities in the statement of activities
are different because:

Net Changes in Fund Balances - Total Governmental Funds	(37,740)
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Governmental funds report capital outlays as expenditures. However, in the
statement of activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense. This is the amount by which
capital outlays exceeded depreciation in the current period.

Capital Outlay	11,666	
Depreciation Expense	<u>(42,125)</u>	
Total		<u>(30,459)</u>

Changes In Net Assets of Governmental Activities	<u>(68,199)</u>
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**CIRCLEVILLE TOWN
STATEMENT OF NET ASSETS
PROPRIETARY FUND**

June 30, 2005

	<u>Business-Type Activity Enterprise Fund</u>	<u>Water Fund</u>
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	155,899	
Accounts Receivable	<u>6,366</u>	
Total Current Assets	<u>162,265</u>	
Noncurrent Assets:		
Investments - Restricted:		
Bond Retirement	16,440	
Capital Assets: (Net of Accumulated Depreciation)		
Improvements Other Than Buildings	<u>480,450</u>	
Total Noncurrent Assets	<u>496,890</u>	
TOTAL ASSETS	<u><u>659,155</u></u>	
LIABILITIES:		
Current Liabilities:		
Bonds Payable - Current Portion	3,644	
Noncurrent Liabilities:		
Bonds Payable - Long-Term Portion	<u>240,095</u>	
TOTAL LIABILITIES	<u>243,739</u>	
NET ASSETS:		
Invested in Capital Assets, Net of Related Debt	236,711	
Restricted for Bonded Retirement	16,440	
Unrestricted	<u>162,265</u>	
TOTAL NET ASSETS	<u>415,416</u>	
TOTAL LIABILITIES AND NET ASSETS	<u><u>659,155</u></u>	

See accompanying notes and accountant's report.

**CIRCLEVILLE TOWN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND**

June 30, 2005

	Business-Type Activity <u>Enterprise Fund</u>
	<u>Water Fund</u>
Operating Revenues:	
Charges for Sales and Services:	
Water Fees	48,798
State Operating Grant	<u>40,000</u>
Total Operating Revenues	<u>88,798</u>
Operating Expenses:	
Operating Costs	58,750
Depreciation	<u>20,150</u>
Total Operating Expenses	<u>78,900</u>
Operating Income	<u>9,898</u>
Nonoperating Revenues (Expenses):	
Interest Expense	<u>(12,275)</u>
Total Nonoperating Revenues (Expenses)	<u>(12,275)</u>
Change in Net Assets	(2,377)
Total Net Assets - Beginning	<u>417,793</u>
Total Net Assets - Ending	<u><u>415,416</u></u>

See accompanying notes and accountant's report.

**CIRCLEVILLE TOWN
STATEMENT OF CASH FLOWS
PROPRIETARY FUND**

June 30, 2005

	Business-Type Activity <u>Enterprise Fund</u>
	<u>Water Fund</u>
Cash Flows From Operating Activities:	
Receipts From Customers	89,453
Payments to Suppliers	<u>(58,750)</u>
Net Cash Provided by Operating Activities	<u>30,703</u>
Cash Flows From Capital and Related Financing Activities:	
Principal Paid on Capital Debt	(4,165)
Interest Paid on Capital Debt	<u>(12,275)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(16,440)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	14,263
Cash and Cash Equivalents - Beginning	<u>158,076</u>
Cash and Cash Equivalents - Ending	<u><u>172,339</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities:	
Operating Income	<u>9,898</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) By Operating Activities:	
Depreciation	20,150
Increase (Decrease) in Operating Assets:	
Accounts Receivable	<u>655</u>
Total Adjustments	<u>20,805</u>
Net Cash Provided (Used) by Operating Activities	<u><u>30,703</u></u>

See accompanying notes and accountant's report.

**CIRCLEVILLE TOWN
NOTES TO FINANCIAL STATEMENTS**

June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Circleville Town conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

The accompanying basic financial statements present the financial position of various fund types and the results of operations of the various fund types. The basic financial statements are presented for the year ended June 30, 2005.

The following is a summary of the more significant policies:

A. Reporting Entity

Circleville Town is a municipal corporation in Piute County, Utah. It is governed by an elected Mayor and four member board. As required by generally accepted accounting principles, these financial statements are of the primary government, Circleville Town, the reporting entity. The Town has no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., statement of net assets and statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**CIRCLEVILLE TOWN
NOTES TO FINANCIAL STATEMENTS**

June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Circleville Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Projects Fund account for the acquisition of fixed assets or construction of major capital improvements not being financed by proprietary or nonexpendable trust funds.

The Government reports the following Proprietary Funds:

The Utility Funds accounts for the activities of the City water operations. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water funds are charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**CIRCLEVILLE TOWN
NOTES TO FINANCIAL STATEMENTS**

June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets or Equity

Deposits and Investments:

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

**CIRCLEVILLE TOWN
NOTES TO FINANCIAL STATEMENTS**

June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Water System	40 Years
Machinery and Equipment	5 Years

Long-Term Obligations:

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity:

In the fund financial statements, governmental funds report reservations of fund balance for amounts not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designation of fund balance represent tentative management plans that are subject to change.

E. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Budgets and Budgetary Accounting:

The governing body of the entity shall establish the time and place of the public hearing to consider the adoption of the budget and shall publish notice of the hearing at least seven days prior to the hearing (no time period given for towns) in at least one issue of the newspaper of general circulation published within the County in which the entity is located. If no such newspaper is published, the required notice may be posted in three public places within the entity's jurisdiction.

**CIRCLEVILLE TOWN
NOTES TO FINANCIAL STATEMENTS**

June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The tentative budget must be made available to the public for inspection for a number of days, as provided by law, prior to the budget hearing.

1. On or before the first regularly scheduled meeting of the Town Council in the month of May, the mayor prepares a tentative budget for the next budget year.
2. After a public notice has been published, a public hearing is then held on the adoption of the budget.
3. After the public hearing, the Town Council makes final adjustments to the tentative budget.
4. On or before June 22, the Town Council adopts the budget by resolution or ordinance and sets the tax rate for taxes.
5. The budget officer may transfer unexpended budgeted amounts within departments.
6. The Town Council may transfer unexpended budgeted amounts from one department in a fund to another department in the same fund by resolution.
7. The total budget appropriation of any governmental fund may be increased only after a public hearing has been held and followed by resolution of the Town Council.
8. Proprietary Fund budgets may be increased without a public hearing by resolution of the Town Council.
9. Budgets for the General fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The appropriated budget is prepared by fund, function and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the governing council. The legal level of budgetary control is the department level.

The Fiscal Procedures Act for Utah Towns require local municipalities to restrict expenditures to authorized departmental budgets. The combined statement of revenues, expenditures and changes in fund balance - budget and actual identifies the departments and funds which have overexpended budgeted amounts if any and, therefore, do not comply with appropriate fiscal procedures.

**CIRCLEVILLE TOWN
NOTES TO FINANCIAL STATEMENTS**

June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Property Tax Calendar

January 1	Lien Date - All property appraised based upon situs and status as of this date (real and personal).
March 1	Calendar year taxing entities must inform the County of the date, time and place of the budget hearing for the next fiscal year for inclusion with tax notice.
June 22	All taxing entities to adopt tentative budgets and proposed tax rates and report them to the county auditor.
July 22	County auditor to prepare and mail Notice of Valuation and Tax Changes to all real property owners, including centrally assessed property owners or in the event that Notices of Valuation and Tax Changes are not required, the county auditor is to compute taxes and the county treasurer is to mail tax notices.
September 1	State Tax Commission approves tax rates.
November 1	County auditor is to deliver the equalized assessment roll to the county treasurer with affidavit.
November 1	County auditor to charge the county treasurer to account for all taxes levied.
November 1	County treasurer to mail tax notices. Tax notices for calendar year entities include notice of budget hearings.
November 30	Taxes on real property become delinquent.

NOTE 2 - DEPOSITS AND INVESTMENTS

Cash and investments as of June 30, 2005 consist of the following:

	<u>Fair Value</u>
Demand Deposits - Checking	<u>311,031</u>

Cash and investments listed above are classified in the accompanying government-wide statement of net assets as follows:

Governmental Activities	138,692
Business-Type Activities - Unrestricted	155,899
Business-Type Activities - Restricted	<u>16,440</u>
Total Cash and Cash Equivalents	<u>311,031</u>

**CIRCLEVILLE TOWN
NOTES TO FINANCIAL STATEMENTS**

June 30, 2005

NOTE 2 - DEPOSITS AND INVESTMENTS

The Utah Money Management Act (UMMA) established specific requirements regarding deposits of public funds by public treasurers. UMMA requires that Town funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by the Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations. Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.

Deposit and Investment Risk:

The Town maintains no investment policy containing any specific provisions intended to limit the Town's exposure to interest rate risk, credit risk and concentration of credit risk other than that imposed by UMMA. The Town's compliance with the provisions of UMMA addressed each of these risks.

Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. All deposits and investment of the Town are available immediately.

Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits. Of the Town's demand deposits, \$100,000 are covered by FDIC insurance.

**CIRCLEVILLE TOWN
NOTES TO FINANCIAL STATEMENTS**

June 30, 2005

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial credit risk for investment is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. This risk is addressed through the policy of investing excess monies only in PTIF.

Concentration of Credit Risk:

Concentration of credit risk the risk of loss attributed to the magnitude of a government's investments in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

NOTE 3 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2005, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	15,280	-	-	15,280
Construction in Progress	-	11,666	-	11,666
Total Capital Assets Not Being Depreciated	<u>15,280</u>	<u>11,666</u>	<u>-</u>	<u>26,946</u>
Capital Assets Being Depreciated:				
Buildings	60,000	-	-	60,000
Equipment	151,250	-	-	151,250
Infrastructure	675,000	-	-	675,000
Total Capital Assets Being Depreciated	<u>886,250</u>	<u>-</u>	<u>-</u>	<u>886,250</u>
Less Accumulated Depreciation For:				
Buildings	41,625	875	-	42,500
Equipment	50,650	7,500	-	58,150
Infrastructure	371,250	33,750	-	405,000
Total Accumulated Depreciation	<u>463,525</u>	<u>42,125</u>	<u>-</u>	<u>505,650</u>
Total Capital Assets Being Depreciated (Net)	<u>422,725</u>	<u>(42,125)</u>	<u>-</u>	<u>380,600</u>
Governmental Activities Capital Assets, Net	<u>438,005</u>	<u>(30,459)</u>	<u>-</u>	<u>407,546</u>

**CIRCLEVILLE TOWN
NOTES TO FINANCIAL STATEMENTS**

June 30, 2005

NOTE 3 - CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Equipment	10,830	-	-	10,830
Water System	<u>806,250</u>	<u>-</u>	<u>-</u>	<u>806,250</u>
 Total Capital Assets Being Depreciated	<u>817,080</u>	<u>-</u>	<u>-</u>	<u>817,080</u>
 Less Accumulated Depreciation For:				
Equipment	10,830	-	-	10,830
Water System	<u>305,650</u>	<u>20,150</u>	<u>-</u>	<u>325,800</u>
 Total Accumulated Depreciation	<u>316,480</u>	<u>20,150</u>	<u>-</u>	<u>336,630</u>
 Total Capital Assets Being Depreciated (Net)	<u>500,600</u>	<u>(20,150)</u>	<u>-</u>	<u>480,450</u>
 Business Type Activities Capital Assets, Net	<u>500,600</u>	<u>(20,150)</u>	<u>-</u>	<u>480,450</u>
 Total Capital Assets	<u>938,605</u>	<u>(50,609)</u>	<u>-</u>	<u>887,996</u>

Depreciation expense was charged to functions of the Primary Government as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Public Safety	6,875	-	6,875
Public Health	-	20,150	20,150
Highways and Public Improvements	33,750	-	33,750
Parks and Recreation	<u>1,500</u>	<u>-</u>	<u>1,500</u>
 Total Depreciation Expense	<u>42,125</u>	<u>20,150</u>	<u>62,275</u>

**CIRCLEVILLE TOWN
NOTES TO FINANCIAL STATEMENTS**

June 30, 2005

NOTE 4 - BONDS PAYABLE

During the 1993-94 fiscal year Circleville Town completed the construction of a new culinary water system. The Town obtained a grant from Farmers Home Administration of \$300,000.00 and has issued water revenue bonds for \$278,400.00 purchased by Farmers Home Administration. Total construction costs of the project was \$566,250.00.

On November 24, 1992, the Town of Circleville issued revenue bonds in the amount of \$278,400 to finance construction of a new culinary water system for the Town. The bonds were purchased by Farmers Home Administration and carry an interest rate of 5.25%. The bonds require monthly payments of \$1,370.00 for 40 years and began in December of 1993. The balance at June 30, 2005, was \$243,738.81. The following is a statement of changes in bonds payable:

	<u>Total Issued</u>	<u>Balance June 30, 2004</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2005</u>
Water Revenue					
Bond - FHA					
5.25% Interest	<u>278,000.00</u>	<u>247,903.92</u>	<u>-</u>	<u>4,165.11</u>	<u>243,738.81</u>

The following is a schedule of debt service charges to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005-2006	3,643.71	12,796.29	16,440.00
2006-2007	3,835.01	12,604.99	16,440.00
2007-2008	4,036.35	12,403.65	16,440.00
2008-2009	4,248.25	12,191.75	16,440.00
2009-2010	4,471.29	11,968.71	16,440.00
2011-2015	26,133.96	56,066.04	82,200.00
2016-2020	33,753.26	48,446.74	82,200.00
2021-2025	43,593.97	38,606.03	82,200.00
2026-2030	56,303.68	25,896.32	82,200.00
2031-2035	<u>63,719.33</u>	<u>9,481.10</u>	<u>73,200.43</u>
	<u>243,738.81</u>	<u>240,461.62</u>	<u>484,200.43</u>

**CIRCLEVILLE TOWN
NOTES TO FINANCIAL STATEMENTS**

June 30, 2005

NOTE 5 - CLASS "C" ROADS

The following is a schedule of receipts and disbursements in Class "C" Roads:

Balance - Beginning of Year	<u>112,000.00</u>
Receipts:	
State of Utah Allotments	36,210.99
Interest	<u>1,671.71</u>
Total Receipts	<u>37,882.70</u>
Disbursement	<u>(83,882.70)</u>
Balance - End of Year	<u><u>66,000.00</u></u>

NOTE 6 - UTAH STATE RETIREMENT PLANS

Circleville Town does not participate in the Utah State Retirement Plan or any other retirement fund.

NOTE 7 - RISK MANAGEMENT

Circleville Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries and disasters. The Town is insured through Utah Local Governments Trust for General Liability coverage. The limits of coverage is \$2,000,000 with a \$250 deductible for each occurrence for both comprehensive general liability and automobile liability. Uninsured motorist has a \$50,000 limit per each accident.

The Town is also insured for property coverage. This policy provides all risk coverage with a \$250 deductible for buildings, contents, and contractors equipment.

Claims have not exceeded coverage in any of the last three calendar years.

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is used to assist in formatting, for easier reading)

**REQUIRED SUPPLEMENTARY
INFORMATION
"UNAUDITED"**

**CIRCLEVILLE TOWN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For The Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis) (See Note A)	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1, 2004	<u>149,693</u>	<u>149,693</u>	<u>149,693</u>	<u>-</u>
Resources (Inflows):				
Taxes:				
General Property Taxes	8,240	8,240	9,426	1,186
Prior Years Taxes	500	500	577	77
General Sales and Use Taxes	40,000	40,000	44,839	4,839
Fee-In-Lieu	<u>3,680</u>	<u>3,680</u>	<u>3,500</u>	<u>(180)</u>
Total Taxes	<u>52,420</u>	<u>52,420</u>	<u>58,342</u>	<u>5,922</u>
Licenses and Permits	<u>750</u>	<u>750</u>	<u>755</u>	<u>5</u>
Intergovernmental Revenue:				
Class C Road	45,000	45,000	36,211	(8,789)
State Grants	-	-	11,666	11,666
State Liquor Allotment	<u>100</u>	<u>100</u>	<u>155</u>	<u>55</u>
Total Intergovernmental Revenue	<u>45,100</u>	<u>45,100</u>	<u>48,032</u>	<u>2,932</u>
Charges for Services:				
Cemetery	100	100	615	515
Solid Waste	10,100	10,100	10,998	898
Administrative Fee - Water	<u>6,200</u>	<u>6,200</u>	<u>6,200</u>	<u>-</u>
Total Charges for Services	<u>16,400</u>	<u>16,400</u>	<u>17,813</u>	<u>1,413</u>
Other Revenue:				
Interest	3,300	3,300	4,654	1,354
Miscellaneous	2,000	2,000	1,000	(1,000)
Use of Fund Balance	<u>74,130</u>	<u>74,130</u>	<u>-</u>	<u>(74,130)</u>
Total Miscellaneous Revenue	<u>79,430</u>	<u>79,430</u>	<u>5,654</u>	<u>(73,776)</u>
Amounts Available for Appropriation	<u>343,793</u>	<u>343,793</u>	<u>280,289</u>	<u>(63,504)</u>

**CIRCLEVILLE TOWN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For The Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>(See Note A)</u>	<u>Positive</u> <u>(Negative)</u>
Charges to Appropriations (Outflows):				
General Government:				
Administration	44,500	44,500	39,221	5,279
Insurance	6,000	6,000	6,374	(374)
Professional Services	1,600	1,600	-	1,600
Total General Government	52,100	52,100	45,595	6,505
Public Safety:				
Fire Department	3,000	3,000	600	2,400
Police Department	8,000	8,000	7,333	667
Total Public Safety	11,000	11,000	7,933	3,067
Highway and Public Improvements:				
Repairs and Maintenance	89,000	89,000	83,883	5,117
Sanitation	15,000	15,000	14,803	197
Culture and Recreation:				
Cemetery	2,000	2,000	600	1,400
Parks and Recreation	13,000	13,000	3,857	9,143
Total Culture and Recreation	15,000	15,000	4,457	10,543
Nondepartmental:				
Capital Outlay	12,000	12,000	11,666	334
Total Charges to Appropriations	194,100	194,100	168,337	25,763
Budgetary Fund Balance - June 30, 2005	149,693	149,693	111,952	(37,741)

**CIRCLEVILLE TOWN
NOTE A
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION**

For The Fiscal Year Ended June 30, 2005

	<u>General Fund</u>
Sources/Inflows and Resources:	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedules.	280,289
Differences - Budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	<u>(149,693)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u><u>130,596</u></u>
Uses/Outflows of Resources:	
Actual amounts (budgetary Basis "total charges to appropriations" from the budgetary comparison schedules.	168,336
Differences - Budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting pruposes.	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u><u>168,336</u></u>